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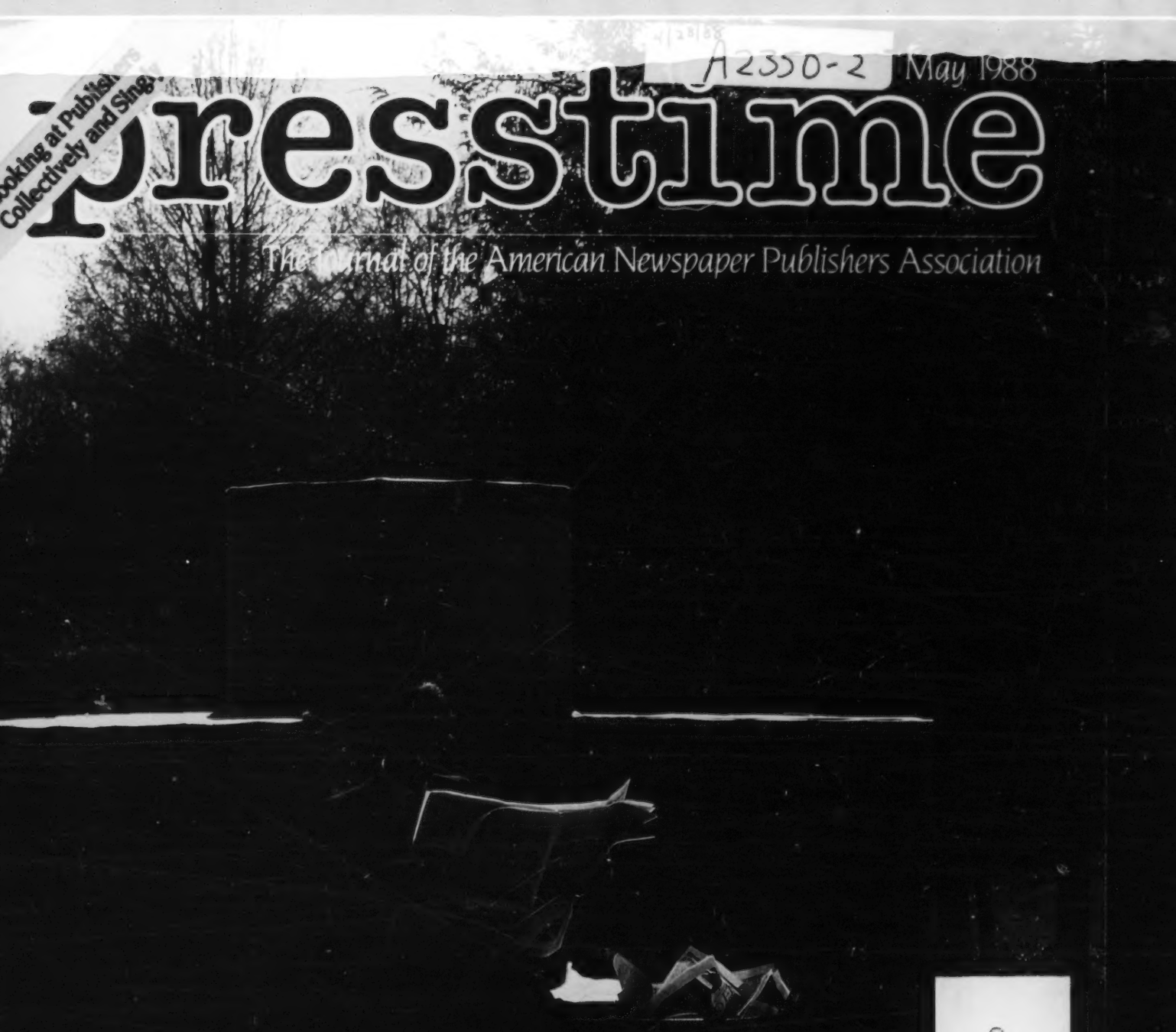

NEWSPRINT
Getting It and Getting Rid of It

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Special Report *Paper procurement has always had a high priority with publishers, and for good cause. An essential ingredient in publishing, newsprint also is a major expense item. Newspapers are concerned about its price, its supply and its quality. Increasingly, however, they are pondering another aspect of the paper chase—its disposal. As landfills close, local and state governments are searching for ways to reduce the solid-waste stream. Many are taking a new look at recycling with an eye toward improving recycling rates for newspapers and other major components in solid waste.* **33**

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CHAIRMAN'S CORNER

Turning tables: We would hire more white males, but . . .

Our experience hiring white males has not been altogether good. As soon as we get one trained, he is off to a bigger newspaper for more money. It sometimes seems all we do is train people for the big and diverse urban dailies.

Most of the young ones we hire do not have good language skills, they have to be taught their jobs, and their education is not what it should be.

George W. Wilson

White males are cliquish. They tend to talk to each other about their own interests, things like football spreads and line scores, and other people feel excluded. They sit together in the lunchroom, making others feel unwelcome.

Furthermore, as soon as they get married they are apt to move somewhere else with their spouses. Or, they have children and start worrying about nursery schools and doctors' appointments. They become less interested in working the long hours newspaper work sometimes requires.

However, there is something to be said for hiring them. If we hire just Hispanics/women/blacks/Asians/native Americans, the newspaper will be a less interesting place to work. We will deprive ourselves and our readers of white males' unique cultural perspectives and their understanding of the white male world.

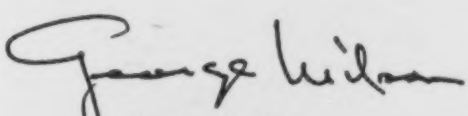
It is hard to locate and retain good newspaper people. Can any of us afford to so restrict our hiring practices that we routinely pass over or find excuses not to hire white males? It is well-documented by now that white males can learn the demanding profession we practice, that they can perform to the highest expectations and that they are willing to make career commitments. Many who have been taught and nurtured and promoted have committed themselves to the welfare of their newspapers. They seem to want a lot of pay and encouragement, but perhaps that is the price we must pay for a balanced and loyal workforce.

It will be difficult for us to remain a mass medium if we do not reach out to all elements of our society. Penetration levels of newspapers could be better. Can we afford to turn our backs on any segment of our communities?

Remember, too, our communities are not isolated as they once were. Television and mobility have changed our nation and all but wiped out yesterday's parochialism. We will want to hire and promote white males even if we must hire them from other communities. Our newspapers report on a larger nation, with a great diversity of national issues. Our readers are attuned to that larger world. Can we afford to be less reflective of that world?

Many newspapers, and countless other businesses, have seen white males advance successfully into the highest levels of management. They have shown the ability to overcome their narrow cultural biases and embrace cultural variety.

Indeed, many have so expanded their vision and understanding that, as executives, they hire and encourage those who are not themselves white males. It is an encouraging sign.



George W. Wilson
ANPA Chairman

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Newsprint

Publishers face the possibility of paying for it twice: to buy it from the papermakers and to dispose of it in accordance with the regulators

BY MARGARET G. CARTER
presstime staff writer

Richard K. Wager of the Poughkeepsie (N.Y.) Journal has been giving paper a lot of thought lately. Not the paper. *Paper*. The 5,400 metric tons of newsprint his newspaper uses each year.

First and foremost, he is trying to cope with soaring newsprint prices. The Poughkeepsie publisher has seen his newsprint costs rise from $2,664,444 in 1985, when the list price was $535 per ton, to $3,404,322 last year, when the price reached $610 a ton. There was yet another price increase earlier this year—to $650 a ton—and the mills seem inclined to try for perhaps $680 a ton by the end of this year.

Already, Wager says, when a customer plunks down 35 cents to buy the weekday Journal, the newsprint in the copy pulled out of the rack costs the newspaper company about 20 cents. The 42,821-circulation Journal is rather typical of U.S. daily newspapers in that newsprint is its second-biggest cost item, next to payroll.

So, like his counterparts around the country, Wager is now scratching his head, trying to figure out ways to hold newsprint bills to a minimum. One thing he is considering is a reduction in the width of the paper that runs through the Journal's presses; shaving off a quarter-inch off each web would result in an annual saving of between $16,000 and $17,000.

"One of the things that bothers me about newsprint is the inevitability, it seems, of price increases," he says. "Where is that going?"

At the same time he is trying to swallow higher prices, Wager is trying to deal with a new paper challenge: disposing of waste newspapers. "It's clear that waste disposal is a giant issue in New York state," he says. "We just don't know what to do with it [waste]."

The state's Business Council has identified solid-waste management as one of the most important public policy issues that will be addressed over the next few years. State regulators are considering imposing fees on companies, proportionate to the amount of solid waste they generate. And a legislative commission has begun to question newspapers about their use of newsprint. The commission has noted that paper and paperboard are "one of the largest components of the state's solid waste stream" and that "a substantial part . . . can be attributed to newspapers."

As president of the New York Publishers Association, Wager and the organization are tracking these developments closely. Publishers share politicians' desire to solve the solid-waste problem, he says. "But we don't want something that will end up to be a disaster for newspapers."

In a nutshell, then, Wager and other publishers are looking at a supreme irony: having to pay ever-higher prices to buy newsprint, and then possibly having to pay still more to have it buried, burned or born again in a recycling mill.

NEWSPRINT: PART I

How We Get It

Higher production capacity will help stabilize prices, and quality continues to improve

Lower prices, higher quality and a sure supply sum up publishers' wish lists when it comes to paper procurement. Prospects look good for getting two out of three, but forget about lower and, for a while at least, even stable prices.

The bad news for publishers is that analysts expect newsprint prices will continue to climb for the next year or so.

The good news is that increased production capacity is on the way, which should help meet growing demand and bring price stability in the early 1990s.

Quality is on the rise, too, as producers modernize their papermaking machines and formulate new pulp mixtures.

But if publishers could tell producers to do just one thing, it would be to "hold that price," says ANPA Newsprint Committee Chairman James R. Moroney Jr., publisher of The Dallas Morning News.

Reflecting some of the cost-cutting measures newspapers are implementing to cope with rising prices, the Morning News has reduced the width of its pages an eighth of an inch and moved to a lighter-than-standard weight paper for its classified-advertising section.

In addition to price stability, publishers are calling for higher quality paper, consistent with the industry's campaign to improve the look of the printed product.

Newspapers are "looking at quality a lot more stringently than they used to," says Doris E. Kleintop, ANPA technical supervisor/newsprint quality. Kleintop traces the beginning of the big quality quest to the start-up of USA Today, which set rigid specifications for its newsprint. To achieve the same high-quality print job as the Gannett Co. national newspaper, publishers began demanding USA Today-quality paper. "The suppliers have really been on the hot seat ever since," she says.

And, of course, newspapers are perpetually concerned about supply. Robert E. Pifer, publisher of the Sandusky (Ohio) Register (evening, 26,539), remembers a time in the mid-1970s when the newspaper for which he was then working, the Grand Haven (Mich.) Tribune, was down to its last two or three rolls of newsprint. "Once you've lived through one or two of those," Pifer says, "you begin to realize it's very important to have a constant source of supply."

In addition to announced construction projects that will add more than 2-million metric tons to U.S. and Canadian annual newsprint capacity by 1992, progress is being made in the search for alternatives to wood fiber in the manufacture of newsprint. A mill that would use kenaf, a fast-growing annual plant, as a fiber source is being planned in Texas. Also, recycling facilities will be installed in Quebec and Ontario—the second and third newsprint facilities in heavily forested Canada to use waste newspapers for fiber.

There even is some talk in newspaper circles of trying to promote revolutionary changes in the papermaking process.

PRICE, A PERENNIAL PROBLEM. Publisher concerns about the cost of newsprint are nothing new. Seventy-five years ago, ANPA went to Congress to plead, successfully as it turned out, for removal of an import tariff on newsprint to assure an adequate supply of affordable newsprint. ANPA continues to battle to preserve newsprint's duty-free status. (See story, p. 56.)

One reason for high-level concern comes down to the bottom line. Newsprint is a major expense for newspapers, especially those of at least 50,000 circulation. According to the Newsprint Information Committee, which conducts public relations on behalf of seven Canadian newsprint companies, in 1986 newsprint typically accounted for 22.7 percent of publishing costs at a newspaper of a million or more daily circulation. For a 250,000-circulation daily, newsprint was an even greater expense item—25.2 percent. Newsprint's share dropped to 21 percent for a 50,000-circulation daily and to 13.4 percent for one of 9,000 circulation.

Until late 1986, list prices for newsprint had not risen for more than two years. Then, in eight months, most producers raised prices twice—from $570 to $610 a metric ton in April 1987 and to $650 in January of this year. (A metric ton equals 1.1023 short tons.)

Among factors influencing pricing policy has been the Canadian dollar. After hitting a record low in

Poughkeepsie Journal's Wager is worried about newsprint's cost now and in the future.

1985 of 69.25 cents per $1 U.S., the Canadian dollar has risen steadily and cracked what has been called the 80-cent barrier in March. U.S. customers use U.S. dollars to buy Canadian newsprint—last year 56.9 percent of all newsprint consumed in the United States came from Canada—so a weaker U.S. dollar means less profit for the Canadian papermakers.

"I think we have not seen the last of the price increases," says Ross Hay-Roe, author of a newsletter on the forest-products industry. Reflecting a consensus among newsprint analysts, Hay-Roe predicts prices will rise anew in the fourth quarter of this year.

"What happens after that will depend very much on what happens to consumption," he says. "I'm inclined to think we are going to have a recession in 1989, so consumption will weaken and the supply will prove to be adequate."

Another analyst sees two more price hikes in the offing. Brian Topp of Capital Group Securities Inc. of Toronto predicts prices will go to $680 a ton in October and to $720 next April 1. "My view, at this point, is that is likely to be the peak price" for the current cycle of price increases.

THE SUPPLY SIDE. There is another reason analysts are predicting prices will moderate—and perhaps even drop: growing supply. John H. Carroll, vice president of the Montreal stock brokerage firm Andras Research Capital Inc., says newsprint manufacturers "are pretty close to the point where somewhere in 1990 to 1991 there is going to be too much newsprint supply around on a worldwide basis and the price will fall."

With a new mill costing at least $300 million and a single machine $200 million, producers are more apt to invest in increased capacity at the top of the business cycle, when newsprint prices and consumption are high. Currently, the record price is coupled with record usage. In 1987, U.S. consumption, for the fifth straight year, hit an all-time high—12,324,642 tons. U.S. dailies account for 74 percent of that.

Although over that five-year stretch U.S. consumption soared 21.9 percent, very little new production capacity was added. Supplies are expected to be relatively tight for the remainder of this year. But producers are now on the expansion binge that is expected to add 2.1-million tons of U.S. and Canadian newsprint capacity in less than four years. Next year will see the biggest gains, when more than a million tons of capacity will be added. Among the projects that are scheduled to come to fruition are two new mills, one of which has five newspaper companies as partners. (See story, p. 36.)

The "swing factor" in the supply equation is the amount of exports to countries outside North America, says Lawrence A. Ross, first vice president of PaineWebber Group Inc. in New York City. Overseas exports of Canadian newsprint increased from 1.3-million tons in 1985 to 1.5-million tons last year, largely because the decreased value of the Canadian dollar relative to many foreign currencies made the country's newsprint cheaper for European and Asian customers.

With global demand continuing, Ross estimates that Canadian and U.S. mills will churn out 15,075,000 tons of newsprint this year—96.5 percent of capacity. "It doesn't leave much margin for error," he notes.

Darryl M. Wharton, president of Scripps Howard Supply Co., agrees. "Any strike or work stoppage or problem that disrupts the production cycle could just take this whole thing crashing down," he says. This year's most closely watched labor situation is in British Columbia, which produces about 16 percent of all Canadian newsprint. Contracts between newsprint mills and two unions expire in the province June 30.

Francois Roulay

Donohue Malbaie's state-of-the-art newsprint machine at Clermont, Quebec, features an enclosed operator console.

NEWSPAPER ADJUSTMENTS. Publishers are not spending a lot of time thinking about the prospect that—barring a strike or some other calamity—the newsprint situation should improve in the years ahead. They are too busy trying to figure out how to pay higher newsprint bills in the meantime.

"When the industry incurs two price increases a year, it is very difficult to adjust to," says David F. Licko, controller of the Reno Gazette-Journal and first vice president of the International Newspaper Financial Executives. "It is nearly impossible to pass that all along in either circulation or advertising price increases. Do you eat it on the bottom line, or do you try to make up for it through (cutting out) other expenses? It forces management to make some tough choices."

His newspaper is increasing its Sunday single-copy price from $1 to $1.25. "And we are trying to be very careful with the way we use newsprint," Licko says. "We are trying to edit tightly and we're taking a very close look at returns (of unsold copies), trying to control newsprint waste better than we ever have before." There's nothing "original" about any of those responses, notes Licko—"just the same old tried and true newsprint-saving procedures" but with added emphasis.

The Kansas City Star and Times are among those taking another conservation step—reducing the width of the newsprint rolls that run through the press. "This is one thing that we can do that will probably not even be discernible to the readers, takes very minor press alterations and should be very cost-effective," says W. Kent McCall, director of purchasing.

According to McCall, the 1/4-inch reduction will not change the size of the printed image on a page and thus will not affect adherence to the Standard Advertising Unit system adopted several years ago by most U.S. newspapers. Some industry leaders have cautioned that any moves to reduce the size of the printed page would jeopardize the hard-fought SAU® system.

The Kansas City papers also plan to test some lighter-weight newsprint. "There are some economies involved," McCall says. Like most U.S. newspapers, the Star and Times currently are printed on paper with a "basis weight" calculated as 30 pounds per 500-sheet ream of newsprint measuring 24 by 36 inches.

"Any strike or work stoppage or problem that disrupts the production cycle could take this whole thing crashing down."

Darryl M. Wharton
Scripps Howard Supply Co.

The Daily News in New York City had been contemplating a switch to a lighter weight paper even before the recent run-up of prices. "With the price increases, it kind of escalated our evaluation process," says K. Michael Tomasieski, vice president/director of production. Since Jan. 1 the Daily News has used 27-pound newsprint.

To induce newspapers to use the rolls, producers have been offering discounts, Tomasieski says. However, the discounting may end, he says, unless the newsprint companies can verify that the lighter paper is less expensive to manufacture.

Even if the discounts are discontinued, Tomasieski says he does not believe the Daily News will return to 30-pound stock. With the lighter paper, "We are able to print the same number of copies and pages with fewer rolls of paper, so we have less handling. We have fewer pasters to make. We have less waste (and) fewer cores to deal with."

The only thing that would dictate a return to heavier paper, Tomasieski says, would be "quality issues." But so far, the "printability" of the 27-pound paper has been "very acceptable," he says.

THE QUALITY QUEST. The whole matter of quality is a chief concern of newspapers today, and it is beginning to show up in the way they do business with newsprint producers. Until recently, says Homer E. Taylor Jr., vice president/supply for Knight-Ridder Inc., publishers did not insist on having guarantees of quality written into their newsprint contracts. "But they all will have it in the future," he says, adding that Knight-Ridder is taking that step this year.

Taylor also credits USA Today and its newsprint specifications with raising consciousness about the contribution good paper makes to a superior printing job.

ANPA's Kleintop says ANPA will publish USA Today's specifications and those of four other daily newspapers in *ANPA-TEST*, a manual to assist newspapers in checking the quality of their raw materials.

Kleintop says newsprint quality has been improving. One indicator is moisture content. In 1980, newspapers' newsprint samples submitted to ANPA for testing had moisture content of 7.3 percent. Today, it is 8 percent "and still climbing," she says.

Some Newspapers Play a Big Role in Making Newsprint

McClatchy Newspapers is going into the newsprint business.

It and four other newspaper companies will be partners with Great Lakes Forest Products Ltd. in a newsprint mill scheduled to begin operation next year in Usk, Wash.

"We felt that inasmuch as newsprint is such a vital part of newspaper publishing, that we would like to have a participation in one of our sources of newsprint," explains Publisher James McClatchy, a member of the ANPA Newsprint Committee.

All but one of the newspaper companies are new entrants in the papermaking field. They will join 13 others with some equity interest in newsprint manufacturing operations, according to the ANPA Newsprint and Transportation Department. (See chart, p. 41.)

Newspaper ownership of newsprint mills can be traced to 1913, when the Chicago Tribune opened a mill at Thorold, Ontario.

Some newspapers' entry into the business was more a result of circumstance than contrivance. Cowles Publishing Co., which owns The Spokesman-Review and Spokane Chronicle, acquired a major share of Inland Empire Paper Co. in Millwood, Wash., during the Great Depression. "It was primarily a case of a major supplier, a local supplier, threatened financially, and we were in a position to guarantee ourselves a supply close to home," says Shaun O'L. Higgins, director of consumer marketing and public relations.

He estimates that "well over 80 percent" of the newspapers' paper needs are met by the mill.

While a secure supply is one big reason newspaper companies invest in newsprint mills, another is protection against rising costs.

"If there is an increase in the cost of the paper, we have no problem because it is our own company that supplies us the paper," says Jean Pagé, corporate controller for Quebecor Inc., the Montreal-based newspaper company that bought a 51-percent interest in a block of shares comprising 55 percent of Canadian newsprint producer Donohue Inc. The newsprint company stands to make higher profits when it raises the price newspapers must pay for paper, says Page, "but it's our profit."

A profit motive is also involved in newspaper companies' investment in mills. "It's a very profitable business for us," says David L. Jordan, vice president/finance for Media General Inc. of Richmond, Va., which owns Garden State Paper Co.

Newspaper analyst John Morton of the brokerage firm Lynch, Jones & Ryan says one of the most beneficial aspects of newspaper ownership of newsprint mills is that if the newsprint market is soft, the newspaper owners can step up their buying to keep mills operating at or near capacity.

Morton says he has not seen any "dramatic increase" in recent years in newspapers' investment in newsprint production. "There has been an ongoing investment in it."

In fact, Morton says the most significant development of late has been The Times Mirror Co.'s decision to get out of the newsprint business.

In 1986, the company sold all but 20 percent of Publishers Paper Co. in Oregon to Jefferson Smurfit Corp. and announced its intention to dispose of its timberlands.

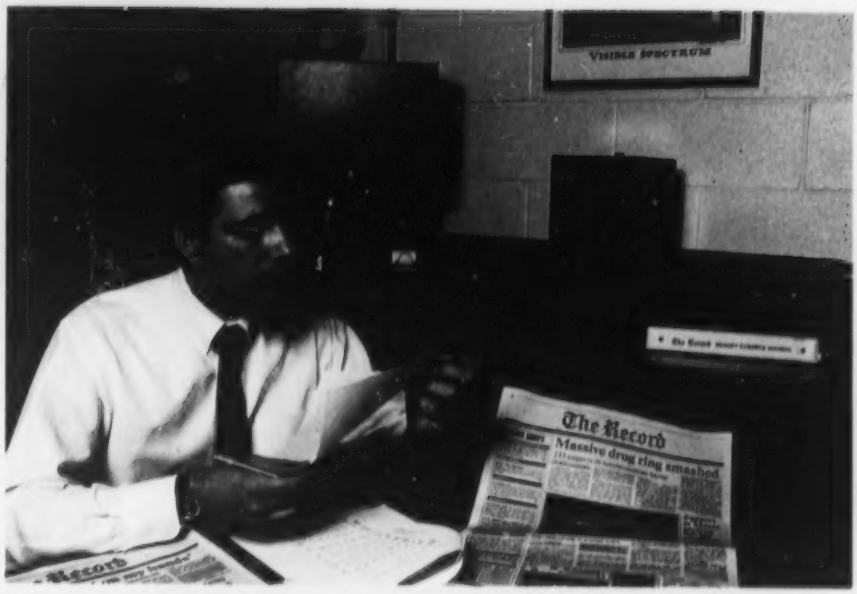
According to Morton, one of the big reasons for the divestment was that the company's forest-products segment had become so large that Times Mirror was being regarded "more as a paper producer than as a media company." The depression in the forest-products industry earlier in this decade "had really harmed" the company's stock price.

ANPA recommends a range of between 7.5 and 8.5 percent to minimize the risk of a web break while the press is running.

Besides ANPA's 30-year-old newsprint-testing program, a few newspaper companies do their own testing. For example, The Record in Hackensack, N.J., evaluates optical properties of brightness, luminosity, opacity, whiteness, yellowness and color saturation. It also looks at surface cleanliness, ink absorption, roll hardness and web-break frequency.

The newspaper issues "report cards" to its eight newsprint suppliers every four weeks, grading them on those specifications. Echoing ANPA's Kleintop, Color Quality Manager Paul T. Lynch says there have been notable improvements in overall quality.

Experts say this enhanced quality results from improvements in papermaking processes and machinery, many of which "have been customer driven," says Roger W. Strauss, who retired in April as director of technology and environmental services at Bowater Inc., the largest newsprint manufacturer in the United States.



Lynch of The Record grades paper quality and informs suppliers of the results.

Traditionally, newsprint was made by running a pulp solution across a moving mesh "forming wire," which allowed most of the water in the solution to drain through the bottom. New "twin-wire" machines have two forming screens, and water drains from both sides. Paper produced on a twin-wire machine has better fiber formation and causes less linting, says Strauss.

A second improvement has been in the use of "cross machine controls," he says. Previously, mill workers checked the uniformity of moisture content across the width of the roll being produced by beating on it with a stick and listening for differences in sound. Now moisture is automatically controlled, as is basis weight and caliper (thickness). In the pulp area, "the most dramatic" development in the last 10 years has been the use of "thermomechanical pulp," or TMP, Strauss says. Produced from chips in a pressurized refining process, TMP has fibers that are longer and therefore stronger than those obtained in the "stone-ground" process, in which logs are rubbed against a grinding stone.

FORMULAS FOR THE FUTURE. The science of papermaking is continuing to evolve. In the 1950s and '60s, a New Jersey publisher, Richard B. Scudder, successfully developed a method of taking the ink out of waste newspapers. This led to the opening of the world's first newsprint mill that uses only waste newspapers as fiber. The notion of turning yesterday's newspapers into tomorrow's newsprint rolls has been making steady if unspectacular inroads ever since.

In the 1970s and early '80s, ANPA (along with the U.S. Department of Agriculture) funded research into the possibility of using the jute-like plant kenaf as a substitute for wood in the manufacture of newsprint. Today, a private firm, Kenaf International, is seeking financing for construction of a kenaf newsprint mill near McAllen, Texas.

Now the newspaper business is beginning to wonder if there might be other developments on the papermaking front it could spur. ANPA President Jerry W. Friedheim says the ANPA Board of Directors, in "close cooperation" with the Canadian Pulp and Paper Association and the American Paper Institute, "is interested in the continuing evolution of current paper-formation technology and in keeping open the window of possibility that someday, from some place, some scientists may find a new generation of papermaking techniques." ANPA, which long has had a Joint Standing Committee with the Technical Section of CPPA, recently established a similar relationship with the API.

Research for the Canadian newsprint industry is carried on by the Pulp and Paper Research Institute of Canada. The institute, near Montreal, is supported by the newsprint industry and the Canadian government and has ties to Montreal's McGill University and other schools.

PPRIC Vice President Peter E. Wrist says he sees no fundamental changes in the papermaking process on the horizon. At the same time, he cites a long list of developments to watch for in the next decade, including further advances in twin-wire technology and further development of "forming fabrics and felts" that yield smoother, more consistent printing surfaces.

Wrist says he also expects that the thermomechanical pulp process will be further refined through the addition of chemicals designed to increase strength, improve brightness, allow the newsprint to carry "fillers" that provide a smoother surface, and accommodate inks with low-ruboff characteristics.

Wrist also predicts more use of recycled waste newspapers for fiber at non-urban mills. A clue, he notes, is a new facility being constructed by Donohue Inc. at its mill in Clermont, Quebec. It will use old newspapers, magazines and other forms of waste paper to produce newsprint pulp.

In the United States, the Institute of Paper Chemistry in Appleton, Wis., also is working to modernize papermaking technology. The facility receives funding from U.S. pulp and paper companies and from contracts for research. Vice President Ronald A. Yeske also foresees no dramatic development in the basic way paper is made, although he says one possibility being examined that could signficantly change the process is "impulse drying," whereby the newsprint sheet is dried by a roller so hot that excess water is "blown" out of the paper. This process has potential for "enormous" energy savings, he says.

In addition, Yeske says, impulse drying strengthens the paper and thus could be used to remedy an acknowledged "drawback" of recycled newsprint: fibers that are weaker than those from virgin timber. Such an improvement could mean that greater quantities of newsprint will be recycled instead of being deposited in bulging landfills.

NEWSPRINT: PART II

How We Dispose Of It

Governments look increasingly to newspapers to help solve the mounting waste-disposal crisis

In March, two representatives of the King County Council paid a visit to H. Mason Sizemore, president and chief operating officer of The Seattle Times. "(They) said we ought to be in the recycled newsprint business," Sizemore recalls. To force newspapers to double as recyclers would be "unreasonable," he told the government officials. "We had to explain to them we weren't in the newsprint manufacturing business, but we were willing to cooperate in any way we could to encourage readers to recycle newsprint."

A month earlier, the public works commissioner in Quincy, Mass., proposed placing a 5-cent deposit on newspapers sold in the city so that they would be returned to the plant that produced them.

"Impractical," responded the local newspapers. For one thing, they said, who would determine how much of an edition must be returned to qualify for a refund of the deposit? Paul D. Delorey, circulation director of Quincy's daily paper, The Patriot Ledger, says his reaction to the plan was, "Fine. Then it would become our waste. But you wouldn't have done anything to solve the problem"—*disposal*.

The incidents illustrate two things: first, that governments at all levels are trying to come up with new solutions to the waste-disposal quandary; and second, that newspapers are being looked at to help provide the solutions because paper in general and newspapers in particular are viewed as a part of the problem.

Pressures are sure to grow on newspapers as waste woes worsen. Indicative of the increased involvement of states in the matter, the New York Legislature is looking at a range of proposals, from an investment tax credit for companies—including newspapers—that produce or purchase recycled materials to prohibiting incineration of newspapers. In California, at least 30 pieces of legislation are pending dealing with solid waste issues. Three states already have laws requiring recycling of certain materials, including newspapers, and more are on the way.

The problem is easily understood. Landfills are reaching capacity and closing at a rapid rate in the United States.

And in the list of alternatives to dumping refuse in landfills, recycling rises to the top of the heap. Today, about a third of all copies of U.S. newspapers are recycled, according to the American Paper Institute.

To achieve higher recycling rates, local and state governments are setting recycling goals and requiring households to separate recyclable materials out of their trash.

Yet there are troubling questions associated with such programs. One of the big ones having to do with paper recycling is whether there will be adequate markets for the waste paper collected.

John H. Veidt, vice president and general manager of the Reclamation Division of Jefferson Smurfit Corp., sees a positive scenario: As the volume of collected waste newspapers rises, the price they bring drops, and this will encourage more newsprint mills to install the equipment necessary to use recycled newspapers. Jefferson Smurfit produces newsprint made from 50-percent recycled fiber and 50-percent virgin wood fiber.

But the president of the only company in North America making newsprint out of 100-percent recycled fiber is skeptical about pat answers to the waste-disposal dilemma. Says Basil Snider of Garden State Paper Co., "You cannot recycle your way out of the solid-waste problem."

WASTE WOES. With its landfills full, Seattle has begun dumping its trash in its county's landfills, and both jurisdictions are investigating future disposal options. In Massachusetts, Quincy's sole landfill has been closed by court order.

These areas are emblematic of what's happening in numerous places.

"At a minimum, many parts of the country are today facing very serious times in managing municipal solid waste," J. Winston Porter, assistant administrator of the U.S. Environmental Protection Agency, told a conference on solid-waste management earlier this year. "The word 'crisis' is probably not too strong for at least some high population density areas," he said.

Currently, municipal solid waste—residential, commercial and industrial waste—is disposed of in three ways. About 90 percent is dumped in about 6,000 landfills. About 5 percent is incinerated in 100 incinerators. And about 5 to 10 percent is recycled.

However, Porter said, within the next five to seven years nearly one-third of existing municipal landfills will be full. Furthermore, it is proving hard to find locations for incinerators.

Porter, who is in charge of the EPA's Office of Solid Waste and Emergency Response, said a "reasonable" national goal would be to reduce the solid-waste stream by 25 percent within the next four years by recycling and by "source reduction"—reducing the amount of waste generated through such means as redesigning packages.

He warned that the paper industry, along with metal, plastic, glass, packaging and other industries, "will need to increase significantly their attention to recycling and source reduction activities."

In an interview with **presstime**, Porter urged newspapers to step up promotion of recycling. And although the EPA official stopped short of advocating "less fat newspapers or anything like that," he suggested newspapers begin looking at ways of making

newspaper more "recyclable."

Newspapers made up an estimated 6.7 percent of municipal solid waste in 1984, the most recent year for which EPA data are available. That share is expected to rise to 7.2 percent by the year 2000. However, *all* forms of paper comprise the biggest disposal component—an estimated 37.1 percent in '84 and a predicted 41 percent by 2000, the EPA says.

In recognition of paper's role in the disposal problem, the American Paper Institute last fall formed a Solid Waste Task Force, headed by the chief executive officers of six paper companies. "The purpose of the task force is to draw on all of the basic resources within the pulp and paper and paperboard industry in order to gain a better understanding of the solid-waste issue and to analyze its impact on our industry," explains API President Red Cavaney.

ANPA also is devoting increasing attention to the problem. Following discussions about waste management at the Association's Government Affairs Committee March meeting, staff members are drafting policy positions for committees and the Board of Directors to consider later this year.

The problem, however, does not lend itself to quick solutions. A time bomb for years, it exploded onto newspaper front pages, magazine covers and the nightly TV news only last year when an ocean-going barge traveled 6,000 miles in a futile search for a final resting place for 3,186 tons of garbage from Islip, N.Y.

As an example of the media blitz that ensued, the Long Island newspaper Newsday published a 10-part, 55,000-word series on waste disposal, focusing on the problems associated with burning waste as an alternative to landfill disposal.

Newsday publicly acknowledged its contribution to the solid-waste stream. It calculated that the paper for part one of the series weighed 27 tons; that the rest of the series ran on paper weighing 66 tons; and that a reprint used an additional 5.6 tons.

On a more positive note, Newsday pointed out that some of its copies are recycled, that all pressroom paper waste and extra copies are sold to a recycler, and that about 8 percent of its pages are printed on recycled paper.

GOVERNMENTS GEAR UP. Today, local governments "are looking at a variety of disposal methods to solve their waste-disposal crisis," reports David W. Gatton, director of policy analysis of the National Resource Recovery Association, an affiliate of the U.S. Conference of Mayors. "We've seen a pronounced trend in the last three to four years for an integrated approach to solid-waste management." That means, he explains, some sort of source separation and recycling activity, incineration where there is the need for a reduction of a significant volume of waste, and, finally, some landfill dumping.

"I think you are beginning to see states and local governments pass legislation that would take recycling more seriously than it has been taken in the past," Gatton says.

Three states—Rhode Island, New Jersey and Connecticut—have enacted mandatory recycling laws, and similar legislation in Maryland is awaiting the governor's signature. None of these measures call for specific actions by newspapers or in any way limit newspapers' activities. The same is thought to be the case for similar bills in more than a dozen other states.

Workmen store old newspapers for recycling at Garden State Paper's Pomona, Calif., mill.

However, some government officials see newspapers as key participants in the matter and would like to persuade them to play an active role. In Rhode Island, for example, the nation's first-in-the-nation law was approved two years ago with the goal of recycling a minimum of 15 percent of the state's solid waste. Although there are no special requirements on newspapers, the state wants publishers to "limit" the glossy advertising inserts they carry, according to Victor A. Bell, chief of the Office of Environmental Coordination. Mixing glossy stock with newsprint reduces the value of the waste paper, Bell explains. He says his office will be working with several newspapers on the situation.

On the federal level, the Environmental Protection Agency is revisiting the problem of solid-waste management. In the late 1970s, the agency developed guidelines for choosing landfill sites, but in the early part of this decade turned its focus almost exclusively to hazardous wastes.

EPA's re-entry into the solid-waste field was dictated by congressional action in 1984. Amendments to the Resource Conservation and Recovery Act directed the agency to prepare a status report on how the nation's solid waste was being managed. EPA spokeswoman Robin B. Woods says the report may be available this summer. Congress also called on EPA to expand its landfill guidelines and to issue them as regulations enforcable by states. That, too, should happen this summer, Woods says.

Among other activities, EPA recently established a Solid Waste Task Force of federal and state officials to look at "appropriate state and federal roles in waste management." The agency also issued guidelines to promote use of recycled paper by federal government entities and by some recipients of federal funds.

Meanwhile, Congress is examining solid waste issues as RCRA comes up for reauthorization this year. Among the proposals currently being floated is a tax on materials such as paper, glass and aluminum. The tax would be scaled back as recycling increased.

This much is certain: there is room for improvement in the U.S. rate of recycling.

And that goes for waste newspapers also, even though they are among the largest categories of material recycled.

Skip Dickstein, The Times-Union

The Times-Union in Albany, N.Y., collects 50 tons of waste paper each month.

According to API, 4 million tons of old newspapers were collected last year for a recycling rate of 33 percent.

Yet in Japan, as much as 80 percent of all newspapers are recycled, API reports. Although the waste-disposal challenges in Japan, a nation of 121 million in an area roughly the size of California, are not comparable to those of the United States, it demonstrates the ultimate in recycling.

One of the "various collection schemes" in Japan is for waste-paper dealers to go through the streets trading fresh rolls of toilet paper for old newspapers, says J. Rodney Edwards, an API vice president.

Hyde Sakata, North American representative of the Japan Newspaper Publishers and Editors Association, says paper recycling there is a habit that started 500 years ago. Today, some newspapers are indirectly involved in recycling efforts because their independent distributors also function as waste-paper dealers. One of Japan's largest newspapers, Asahi Shimbun, gives subscribers plastic bags in which to store their old papers until they are collected.

The United States also has a long tradition of using reclaimed fiber to make the paper on which newspapers are printed. The first newsprint in this country was made out of cotton rags. It wasn't until the late 1800s that wood became the chief ingredient in newsprint. Currently, there are eight newsprint mills in the United States that produce paper from varying percentages of recycled fiber.

RECYCLERS' REACTION. With government-mandated recycling programs becoming more prevalent, the mills that depend on waste newspapers as their source of fiber should be jumping for joy.

That's not entirely the case.

Jefferson Smurfit is of two minds on mandatory recycling. "Yes, we would like lower costs, there's no doubt about it," company executive Veidt says. "And probably over a period of time, if it's done correctly, mandatory recycling would result in an abundance of (collected) newspaper waste, which should eventually then lower the cost." However, Smurfit simultaneously fears that the programs will hurt the charities that use paper drives to raise money.

Snider of Garden State Paper sees an even darker side to mandatory recycling. New Jersey's law, approved a year ago and now being phased in, is "far from being favorable" to operations at the company's recycling mill in Garfield. He explains that a good recycling "infrastructure" already was in place to supply the mill, and that Garden State Paper viewed augmentation of the voluntary system as preferable to installing a mandatory one. "Our concern, frankly, was that if one generates more recyclable materials than there are markets for, then it could collapse that system."

There is some evidence this could happen, Snider says. When West Germany instituted mandatory recycling, a glut of paper was produced, prices declined and the result was "chaos" in the waste-paper market. So far in the United States, Snider notes, prices have not declined, primarily because the market for old newspapers has been very strong. (It is so strong, in fact, that in some cities newspapers left out on curbs for pickup in municipal recycling programs are being taken by scavengers.)

Snider says his company also was concerned that the mandatory program could lead to a growing mixture of slick-paper magazines and plastics with old newspapers. And in this instance, the fears already have been realized. "We are seeing a deterioration of the quality in the paper we're getting. It is having a very noticeable effect on us"—more sorting—and "this begins to effect our economics." Instead of lowering the cost to the company, mandatory recycling could end up increasing costs.

Veidt of Jefferson Smurfit, while believing that ample supply and depressed prices for waste paper may induce more newsprint companies to make recycled paper, cautions that this cannot happen overnight. For a mill to begin using waste newspapers, he notes, it must have special de-inking and pulping equipment.

EPA's J. Winston Porter suggested publishers begin looking at ways of making the newspaper more recyclable.

PAPERS PUSH RECYCLING. Some newspapers are not sitting around and waiting for governments to intervene. They are doing their part to facilitate recycling.

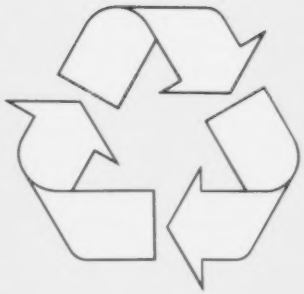
The Times-Union in Albany, N.Y., for example, recently placed covered bins in its parking lot for collection of unsold copies. Operations Director Alfred J. Giguere estimates that about 50 tons of waste newspapers are collected each month and turned over to a waste-paper dealer.

The dealer also gets the newspaper's press waste, the paper trimmed from its TV magazine and excess mailroom copies. "Let's face it," says Giguere. "The newspaper is a fairly large producer of landfill material. . . . We feel that we should have all our waste newsprint recycled."

To encourage recycling by readers, The Seattle Times provides free publicity for a charitable group's voluntary recycling drive and also put its name on the side of collection bins.

Other newspapers say they are contributing to the recycling effort by using recycled newsprint. One is the Los Angeles Times, whose owner, The Times Mirror Co., owns 20 percent of two recycled-newsprint mills operated by Jefferson Smurfit in Oregon.

"We surprise a lot of people," says Jon E. Melkerson, the Times' manager of newsprint operations. Of the 470,000 tons of newsprint consumed by the Times each year, 380,000 tons are made from recycled fiber. Of that, 370,000 tons are from Jefferson Smurfit and consist of about half reclaimed fiber; the other 10,000 tons are 100-percent recycled fiber from Garden State's mill in nearby Pomona.



The paper periodically gets challenged from politicians because of its use of massive amounts of newsprint. Says Melkerson: "It's good to be able to say we do support recycling."

These success stories notwithstanding, the American Paper Institute believes newspapers can and should do more. "One thing that has been frustrating to us is that . . . newspapers have not always been enthusiastic about carrying stories telling how much newsprint is recycled in this country," says the institute's Edwards. He pegs this reluctance to the fact that some U.S. newspapers are investors in mills that do not use recycled fibers.

Edwards also says he would like to see newspapers use the API symbol (above) that identifies them as "recyclable" paper products. It would be, he says, "an image-lifting device." □

Newspapers' Ownership Interests in Newsprint Mills

Publisher	Company and Mill Location	Equity Interest	Production Capacity (in metric tons)	Amount Annually to Publisher
Cowles Publishing Co., Spokane	Inland Empire Paper Co. Millwood, Wash.	100%	66,400	Not available
Cox Enterprises Inc., Atlanta	Southeast Paper Manufacturing Co.* Dublin, Ga.	33⅓%	190,500	Cox and partners Media General and Knight-Ridder get 35-40% of production
Dow Jones & Co., New York City	Bear Island Paper Co. Ashland, Va.	33%	192,000	16% in 1987; varies from year to year
	F.F. Soucy Inc., Riviere-du-Loup, Quebec	40%	132,000	24% in 1987; varies from year to year
Gannett Co., Arlington, Va.	Donohue Charlevoix Inc., Clermont, Quebec	44.6% of 1 machine	120,000	About 100,000 tons
Knight-Ridder Inc., Miami	Southeast Paper Manufacturing Co.* Dublin, Ga.	33⅓%	190,500	See Cox above
Media General Inc., Richmond, Va.	Garden State Paper Co.* Pomona, Calif.	100%	121,600	5,400 tons
	Garfield, N.J.		197,800	13,600 tons
	Southeast Paper Manufacturing Co.* Dublin, Ga.	33⅓%	190,500	See Cox above
The New York Times Co.	Spruce Falls Power & Paper Co. Ltd., Kapushasing, Ontario	49.5%	343,000	75,000 in 1987
	Donohue Malbaie Inc. Clermont, Quebec	49% of 2 machines	220,000	63,000 in 1987
	Gaspesia Pulp & Paper Co. Ltd. Chandler, Quebec	49%	225,500	180,000 in 1987
Newhouse Newspapers, New York City	Catawba (S.C.) Newsprint Co.	49%	222,000	100%
Quebecor Inc., Montreal	Donohue Inc. Clermont and Amos, Quebec	51% of majority interest	555,000	10,000 tons
Thomson Newspapers Inc., Des Plaines, Ill.	Augusta (Ga.) Newsprint Co.	50%	350,000	Less than 10%
The Times Mirror Co., Los Angeles	Smurfit Newsprint Corp.* Oregon City, Ore., Newberg, Ore.	20%	558,000 combined	About 75%
Tribune Co., Chicago	Quebec and Ontario Paper Co. Thorold, Ontario*, Baie Comeau, Quebec	100%	725,000 combined	About 50%
The Washington Post Co.	Bowater Mersey Paper Co. Ltd. Liverpool, Nova Scotia	49%	218,000	72,500 tons
	Bear Island Paper Co. Ashland, Va.	33⅓%	192,000	49,000 tons

Sources: ANPA Newsprint and Transportation Department, mills and newspaper companies. *Uses recycled pulp.

Consumption, stocks rise in February

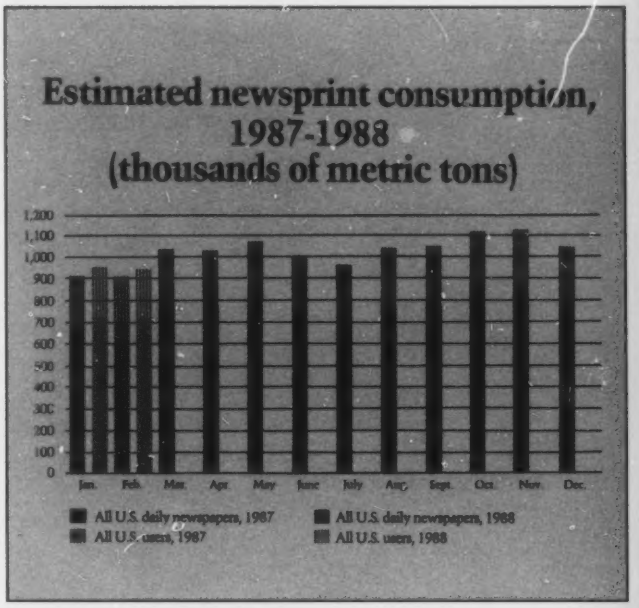
Newsprint consumption by all U.S. users increased 5.8 percent in February compared with February 1987. Consumption by U.S. daily newspapers increased 3.6 percent. However, there was an extra day in February this leap year.

Newsprint inventories of newspapers in ANPA's statistical sample averaged a total of 44 days at the end of February compared with 42 days a year earlier.

Canadian production increased 6.5 percent from February 1987, while U.S. production rose 8.6 percent.

Worldwide shipments from Canadian mills were up 3.5 percent. Shipments from U.S. mills increased 8.1 percent, evidently aided by the decreased value of the U.S. dollar.

The Canadian mills' operating rate was 100 percent in February and 99 percent year to date. The operating rate for U.S. mills in February was not available at press time.



Estimated consumption of all U.S. daily newspapers[1]

Region	January 1988(r)	January 1987	% Change
Northeast	181,571	172,993	+5.0
North Central	151,818	145,565	+4.3
South	221,757	218,521	+1.5
West	169,608	161,945	+4.7
Circulation Size			
up to 25,000	56,706	48,628	+16.6
25,001-100,000	150,360	148,155	+1.5
Over 100,000	517,688	502,241	+3.1
January totals	724,754	699,024	+3.7
Region	**February 1988(p)**	**February 1987**	**% Change**
Northeast	181,702	175,712	+3.4
North Central	151,262	144,535	+4.7
South	223,977	221,917	+0.9
West	166,952	156,474	+6.7
Circulation Size			
up to 25,000	57,995	53,512	+8.4
25,001-100,000	152,974	147,823	+3.5
Over 100,000	512,924	497,303	+3.1
February totals	723,893	698,638	+3.6
Two-month totals	1,448,647	1,397,662	+3.6

Estimated consumption of all U.S. users

	1987	1986	% Change
December totals	1,051,669(r)	1,010,186	+4.1(r)
Twelve-month totals	12,324,642(r)	11,936,693	+3.3(r)
	1988	**1987**	**% Change**
January totals	961,872(r)	907,767	+6.0(r)
February totals	958,354(p)	905,647	+5.8(p)
Two-month totals	1,920,226(p)	1,813,414	+5.9(p)

Production

	Canada	U.S.A.	North America
February 1988	814,596	434,424	1,249,020
February 1987	765,085	400,090	1,165,175
Increase	+49,511	+34,334	+83,845
	+6.5%	+8.6%	+7.2%
Two months 1988	1,636,377	886,711	2,523,088
Two months 1987	1,559,159	844,880	2,404,039
Increase	+77,218	+41,831	+119,049
	+5.0%	+5.0%	+5.0%

Stocks

U.S. publishers[2]	Tonnage	Days' supply on hand	Days' supply in transit
December 1987	900,315	39(r)	8
December 1986	848,602	37	8
January 1988	905,230(r)	37	7(r)
January 1987	845,226	35	6
February 1988	930,170(p)	37(p)	7(p)
February 1987	878,590	35	7
Canadian mills			
February 1988	327,845	—	—
February 1987	331,259	—	—
U.S. mills			
February 1988	50,715	—	—
February 1987	64,604	—	—

Shipments

From Canadian mills	U.S.A.	Canada	Export	Total
February 1988	574,693	97,837	109,588	782,118
February 1987	540,667	92,097	122,885	755,649
Two months 1988	1,123,048	189,986	184,593	1,497,627
Two months 1987	1,093,782	177,369	233,953	1,505,104
Increase	+29,266	+12,617	-49,360	-7,477
decrease	+2.7%	+7.1%	-21.1%	-0.5%
From U.S. mills				
February 1988	411,872		23,060	434,932
February 1987	380,229		22,030	402,259
Two months 1988	824,615		47,512	872,127
Two months 1987	777,791		51,559	829,350
Increase or	+46,824		-4,047	+42,777
decrease	+6.0%		-7.8%	+5.2%
From North American mills				
February 1988	986,565	97,837	132,648	1,217,050
February 1987	920,896	92,097	144,915	1,157,908
Two months 1988	1,947,663	189,986	232,105	2,369,754
Two months 1987	1,871,573	177,369	285,512	2,334,454
Increase or	+76,090	+12,617	-53,407	+35,300
decrease	+4.1%	+7.1%	-18.7%	+1.5%

[1]Based on stratified data from newspapers in ANPA statistical sample, figures in this and other tables are in metric tons.

[2]Represents stocks of newspapers in ANPA statistical sample.
(r) = revised (p) = preliminary